



COUNCILMEMBER IKAIKA ANDERSON DISTRICT 3 UPDATE—JUNE 2009

530 S. King Street, Room 202
Honolulu, HI 96813
Ph: 768-5003 Fax: 768-5001
Email: ianderson@honolulu.gov

CITY COUNCIL COMMITTEE MEETING SCHEDULE

Tuesday, June 30

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| Zoning | 9 am |
| Public Infrastructure | 1 pm |

Wednesday, July 1

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| Budget | 9 am |
| Executive Matters | 1pm |

Thursday, July 2

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| Transportation & Planning | 9 am |
| Public Safety & Services | 1pm |

District 3 Staff

Paulyne Anakalea
Executive Secretary

Gail Myers
Senior Adviser

Andrew Malahoff
Senior Legislative Aide

Venus Acoba
Legislative Aide

Sharon Basmayor
Legislative Aide

Aloha,

At the time of this writing the Council has yet to pass a budget for the upcoming Fiscal Year. It is my hope that the budget the Council passes will strike a balance between maintaining the existing level of services and the financial demands on our property owners. The Mayor's proposed budget included a 30-cent increase in real property tax rates and a \$75 "credit" to owner occupants. The Council has since amended the budget, through various cuts, to realize an additional savings of some \$16M. Some of my colleagues believe that these additional savings should be distributed to owner occupants through an increase in the Mayor's proposed "credit" – while leaving the tax rate at the proposed \$3.59.

Honesty in Budgeting

While I recognize the need to provide relief to our owner occupants, I find it nearly impossible to support increasing the tax rate only to return it. Rather than providing a real benefit, this "take to give" tactic directly informs homeowners that the City is taking in more money than is necessary to operate City government. Of critical concern is the fact that this tax "credit" does not provide equitable relief to our owner occupants; the lower the value of your home the greater your benefit. Rather than a tax credit, I strongly favor doing away with the Mayor's proposed increase. Those in favor of the tax "credit" argue that any benefit to owner occupants should favor the lower valued parcels as they are typically owned by individuals who are less able to afford increased taxes. If the City did not provide a homeowner's exemption and we did not have the low-income credit program I would be more inclined to support a tax "credit". But since we do provide both of these relief mechanisms I believe that the most reasonable thing is to keep the tax rate as low as possible. Conversely, if the proposed tax "credit" was proposed without a tax rate increase it would certainly be easier to support it. I am proposing additional cuts to the budget that would eliminate the tax "credit" while maintaining the City's current level of services and meeting our mandated obligations. The proposal would require a slight increase in the tax rate, which primarily offsets the decrease in home values, but this increase is not only far less than what was originally proposed it also ensures that the relief to our property owners is evenly distributed.

Mandated Programs

One of the more contentious issues in the proposed budget was the \$6M appropriation for expansion of the City's curbside recycling program. This expansion would take the City's current program island-wide. There is still the lingering question of whether or not the program is meeting its intended objective; reducing the amount of waste entering the City's landfill. I am certainly concerned with the effectiveness of this program and I believe that we cannot make a fair assessment without island-wide implementation. When the voters approved amending the City Charter to mandate a City-wide recycling program there is no doubt that there was an underlying consensus that we need to minimize our impact on our local and global environment. However, the amendment was somewhat vague in detailing what "recycling" and "comprehensive" meant. I believe that the majority of supporters expected that the emphasis of any recycling program undertaken by the City would be on reducing the local environmental impacts of solid waste disposal. I also believe there was a reasonable expectation that the program would not create a significant financial burden on our City. The concern with the current debate over whether or not to appropriate a relatively small amount of money for full implementation of this program is whether or not, in our attempts to be more sustainable, we can sustain it. While I hope we will be able to meet our mandate, we need to also constantly evaluate our actions to ensure that they are serving all the interests of our public.

District 3 Events

3TALKS

“3Talks” are held throughout the district every month. All 3Talks start at 7pm and the public is encouraged to come and meet with their Council-member and staff.

Tuesday, June 16
St. John Lutheran Church
1004 Kailua Road

Wednesday, July 22
Waimanalo Public Library
41-1320 Kalanianaʻole Hwy.

Tuesday, August 18
Kaneohe Community &
Senior Center
45-613 Puohala Street

TRANSIT PROJECT

Of course there is still the continuing debate over the City's other mandated project – rail. Over the last several weeks I have received numerous emails from my constituents uniformly requesting the addition of a proviso to the City budget to restrict the administration from encumbering any local funds until Federal funding has been secured. (for those unfamiliar with a “proviso”: the City Council may include these in their amendment budget to place requirements or restrictions on appropriated monies and they are legal requirements which cannot be ignored). Considering that the financial solvency of the proposed transit project is leveraged on the receipt of Federal funds, the suggested proviso has some merit. However, just as the concern with pursuing this project absent Federal funding is the potential for financial shortfalls I am equally concerned that delaying pre-construction planning will only guarantee increased costs when and if Federal funding is secured. Were the Council's control over the project lost upon passage of the FY-10 budget, the inclusion of a restricting proviso would be very prudent. But there are several key points that seem to be overlooked. First, the Council must still approve the issuance of the bonds which will provide the revenue for the initial construction phases. If the receipt of Federal funding was uncertain or below what was required in the financial plan the Council, myself included, would be hard-pressed to justify approving the bond issuance. Secondly, when the Council originally approved the project several financial controls were included which limits the funding sources for construction (including debt service on interim financing) to the G.E.T. surcharge revenues and Federal funds. Lastly, since State law limits the use of revenues from the G.E.T. surcharge to the transit project it has no immediate impact on our property-tax payers. More importantly I am deeply concerned with the State Legislature's recent attempts to look at the revenue sources of the counties as potential sources of funding to bridge their budget deficits. If we were to delay expending or encumbering the monies currently set aside for this project there is a very real possibility that the State Legislature would again look to taking these monies to balance their budget. In consideration of all this, I feel that until the status of Federal funding is certain we should proceed as though it is – with respect to the expenditure of on-hand monies restricted to this purpose.

AIKAHI SEWER PROJECT UPDATE

The City's recently announced that the long-awaited Aikahi Loop sewer rehabilitation project will finally get underway.

The project will be grouped into three phases and, due to the nature of the rehabilitation process, will require 24-hour operations. Work is expected to be completed by July 7, 2009.

Area residents who may be affected by the work have been notified by the City. However, if there are any questions or concerns with the work the contractor can be contacted via their telephone hotline at **295-8934**

Construction Schedule

PHASE I: Intersection of Mokapu Rd. and N. Kalaheo Road to the intersection of Mokapu Blvd. and Aikahi Loop.

Work Begins: 6 p.m., June 6

Expected Completion: June 13

PHASE II: Intersection of Aikahi Lp. and Ilihau St. to the intersection of Mokapu Rd. and Aikahi Lp.

Work Begins: June 14

Expected Completion: June 21

PHASE III: Intersection of Aikahi Lp. And Ilihau St. to the Kailua Wastewater Treatment Plant

Work Begins: June 22

Expected Completion: July 7